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MOSCOW FOR NICKOLAS KATSAKIS

E.O. 12958: N/A  
TAGS: [ETTC](#) [RS](#) [KOMC](#)  
SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE CHECK  
ON LICENSE 05-050077022

11. This is an Action Request. See paragraphs 2 - 4.

12. The Department's Office of Defense Trade Controls Compliance (PM/DTCC) requests Post's assistance in conducting a pre-license check on license 05-050077022 for the export of ammunition components to Russia. Post is requested to complete this Blue Lantern check within 30 days. Lack of response to a Blue Lantern check will affect pending and future licenses involving parties to this license.

13. Reason for Request: Applicant has submitted this application on two previous occasions, each being returned without action. The first application (050053908) did not sufficiently explain the provided end-use and the second (050055208) was submitted with a new end-use that was not supported by the documentation provided. The current submission claims commercial re-sale as the end-use. Considering the caliber and quantity of the ammunition components as well as the previous submissions for these items, the bona fides of this transaction and end-user should be established.

14. Action Request: Post is requested to establish the bona fides of Barnaul Cartridge Plant as a reliable recipient of United States Munitions List (USML) articles. Post should also determine the client-base of Barnaul Cartridge Plant to whom the manufactured ammunition may be sold. The following points are provided for guidance:

(To Barnaul Cartridge Plant)-- How long has your company been in the business of importing and selling defense articles? Are you familiar with the restrictions governing the import of U.S. Munitions List (USML) commodities, in particular, the prohibition of unauthorized re-export? Who are your regular customers and where do they reside? Can you elaborate on the specific end-use of these items? Does your company have any purchase orders from any potential buyers for these items? What use does your company have with such a high quantity of ammunition components?

15. Details of license application:

DTC Case: 05-050077022

QUANTITY/COMMODITY:

10,103,000 Components for Ammunition (cal .224 - .355)

License Value: USD \$909,270

SELLER:

Hornady Manufacturing Co.  
PO Box 1848  
Grand Island, NE 68803

FOREIGN CONSIGNEE:

Same as end-user.

FOREIGN END-USER:

Barnaul Cartridge Plant  
28 Kulagina St.  
656002 Barnaul  
Russia

PURPOSE:

Commercial re-sale

¶6. Submitted in support of the license application were the following documents (PM/DTCC will fax documentation to Posts upon request):

DSP-83 signed by Nikolay Stepanov on behalf of end-user and Tonya Finck on behalf of US applicant. Dated Nov 27, 2007.

Explanation of Import Authorization from Russian Ministry of Internal Affairs signed by AN Kiselev dated April 28, 2007 (ref # 42/1842)

Letter of Explanation from Hornady Manufacturing signed by Greg Hanson

Letter of Explanation from Barnaul Cartridge Plant signed by Nikolay Stepanov dated Nov. 16, 2007.

Invoice from Hornady Manufacturing dated June 26, 2007.

Purchase Order from Banaul Cartridge Plant dated August 20, 2007, signed by Yakov Altergot.

¶7. Please slug reply for PM/DTCC - BLUE LANTERN COORDINATOR and include the words "Blue Lantern" and the case number in the subject line. POC is Kyle M. Ballard, Phone: 202-663-1929; Email: BallardKM@state.gov; SIPRNET: BallardKM@state.sgov.gov. The Blue Lantern Guidebook (ref) is available as a PDF file in the Bunche Library's E-Book Collection on the DOS Intranet:  
[http://virtuallibrary.state.gov/BlueLanternGuidebook2006%2520 final .pdf](http://virtuallibrary.state.gov/BlueLanternGuidebook2006%2520%20final.pdf)

¶8. Department is grateful for Post's assistance in this matter.  
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